



June 22, 2012

***Ex Parte Notice***

Ms. Marlene H. Dortch, Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

***Connect America Fund, WC Docket No. 10-90; A National Broadband Plan for Our Future, GN Docket No. 09-51; Establishing Just and Reasonable Rates for Local Exchange Carriers, WC Docket No. 07-135; High-Cost Universal Service Support, WC Docket No. 05-337; Developing a Unified Intercarrier Compensation Regime, CC Docket No. 01-92; Federal-State Joint Board on Universal Service, CC Docket No. 96-45; Lifeline and Link-Up, WC Docket No. 03-109; Universal Service Reform – Mobility Fund, WT Docket No. 10-208***

Dear Ms. Dortch:

On Wednesday, June 20, 2012, Mark Benton of Midstate Communications, Richard Coit of the South Dakota Telecommunications Association, Randy Houdek of Venture Communications Cooperative, and Denny Law of Golden West Telecommunications Cooperative, together with the undersigned on behalf of the National Telecommunications Cooperative Association (“NTCA”), met separately with Christine Kurth, Policy Director and Wireline Counsel to Commissioner Robert McDowell, and with Priscilla Argeris, Legal Advisor to Commissioner Jessica Rosenworcel, regarding the regression analysis-based caps on universal service support and the need for a Connect America Fund for rural rate-of-return regulated incumbent local exchange carriers (“RLECs”).

During the meetings, Mr. Coit and the company representatives provided information (including the attached maps) on the areas they serve and their efforts to bring broadband to rural consumers and business through responsible, paced network build-outs and upgrades over a series of years and even decades. The companies raised concerns, however, about the lack of transparency and unpredictability created by the new regression analysis-based caps and the effect of such caps on delivery of services going forward. Indeed, each company noted that although they were unaffected or affected only slightly by the new caps right now, all were unable to plan for network investments and operations beyond the next twelve to eighteen months because of the potential volatility and indecipherable nature of the caps. The companies urged the Federal Communications Commission (the “Commission”) to provide much clearer and more transparent “business rules” that enable company managers in the field to understand with a reasonable degree of certainty what investments and operations will indeed be recoverable (or unrecoverable) through universal service support going forward – or, NTCA posited, rural broadband investment by RLECs risks grinding toward a halt.

Marlene H. Dortch

June 22, 2012

Page 2 of 2

The companies, Mr. Coit, and NTCA also raised the need for a Connect America Fund for RLECs that enables greater migration and adoption of broadband. In particular, we noted that the rules, even after transformation, continue to require RLECs to sell (and not just offer) “plain old telephone service” to receive universal service support for network loop plant. We also noted that middle mile facilities that are needed to ensure robust broadband access in rural areas also go entirely without support, even after transformation – and that, in fact, with the threat of further intercarrier compensation reforms and potential reductions in those cost recovery mechanisms looming, the future of rural transport networks is at greater risk than prior to transformation. We therefore urged the Commission to take into consideration the need for support of broadband-capable network plant even where a customer chooses not to take voice telephony service that is offered, as well as the need for incremental middle mile support to sustain and promote middle mile networks.

Pursuant to Section 1.1206 of the Commission’s rules, a copy of this letter is being filed via ECFS. A copy of the materials provided by the companies and Mr. Coit in the meeting is also attached hereto.

Sincerely,

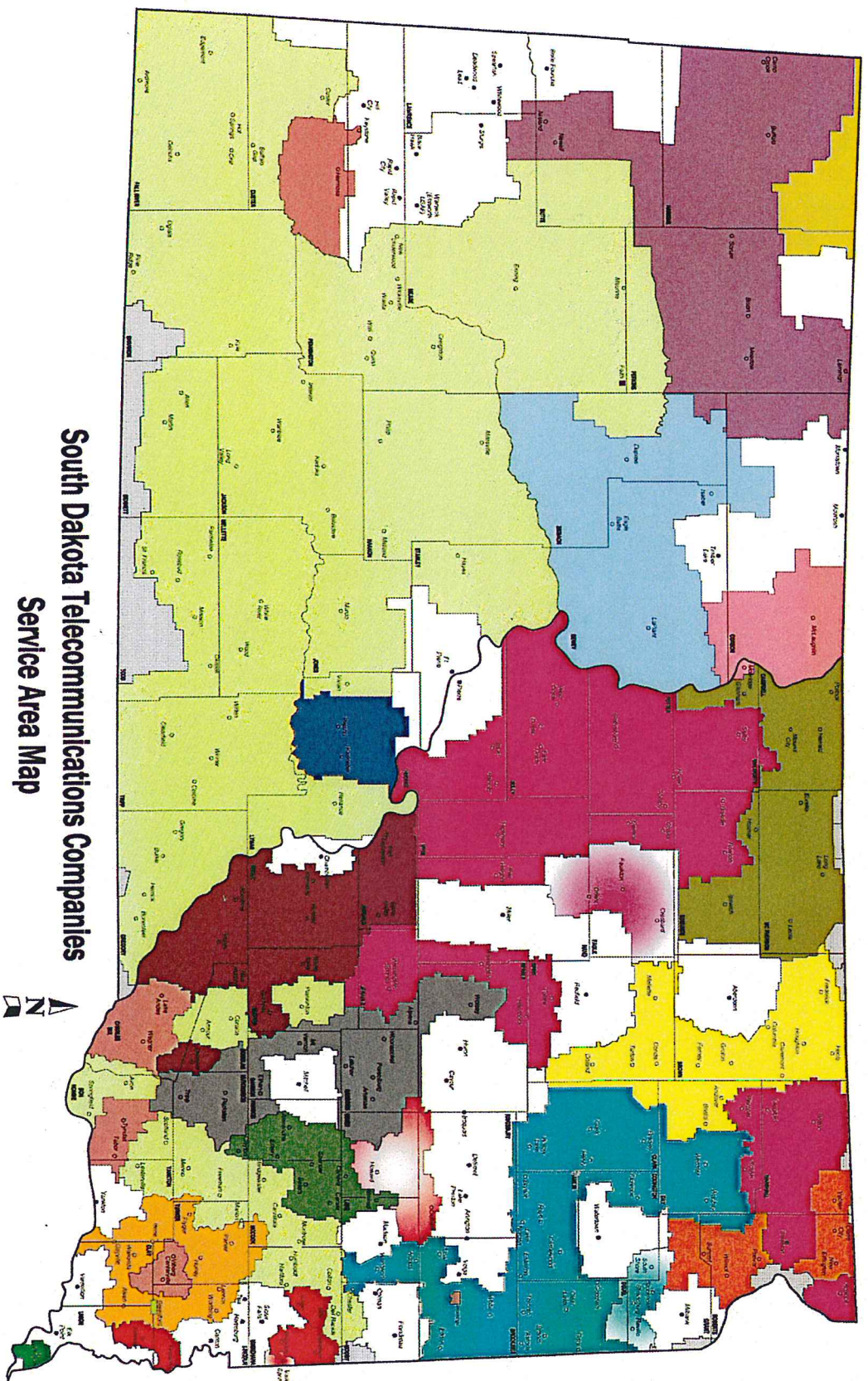
/s/ Michael R. Romano

Michael R. Romano

Senior Vice President – Policy

Enclosure

cc: Christine Kurth  
Priscilla Argeris



**Published 2011**

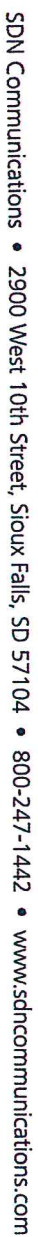
Map prepared by SDATC  
South Dakota Association of Telecommunications Companies

- Alliance Communication Cooperative, Inc.
- Hills Telephone
- Spiritock Properties
- Bandwidth Municipal Telephone Company
- Coyote River Shore Telephone Authority
- Crestland Telephone Company
- Faith Municipal Telephone Company
- Fort Randall/ML Industries Telephone Company
- Golden West Telecommunications
- Interstate Telecommunications Cooperative, Inc.
- Stockton-Sumner Telephone Co.
- James Valley Telecommunications
- Kenosha Telephone Company, Inc.
- Keweenaw Community Telephone
- Long Line
- Midwestern Communications
- Roberts Co. Telephone Cooperative / R/C Comm.
- Sunset Communication Cooperative

- Swift Communications
- Thornd Communications, Inc.
- Valley Telecommunications Cooperative
- Venture Communications Cooperative
- Western Telephone Company
- West River Cooperative Telephone Company
- West River Telecommunications Cooperative
- Nonmember Telecommunications Companies
- County/State
- Other Companies







SDN Communications • 2900 West 10th Street, Sioux Falls, SD 57104 • 800-247-1442 • [www.sdncommunications.com](http://www.sdncommunications.com)

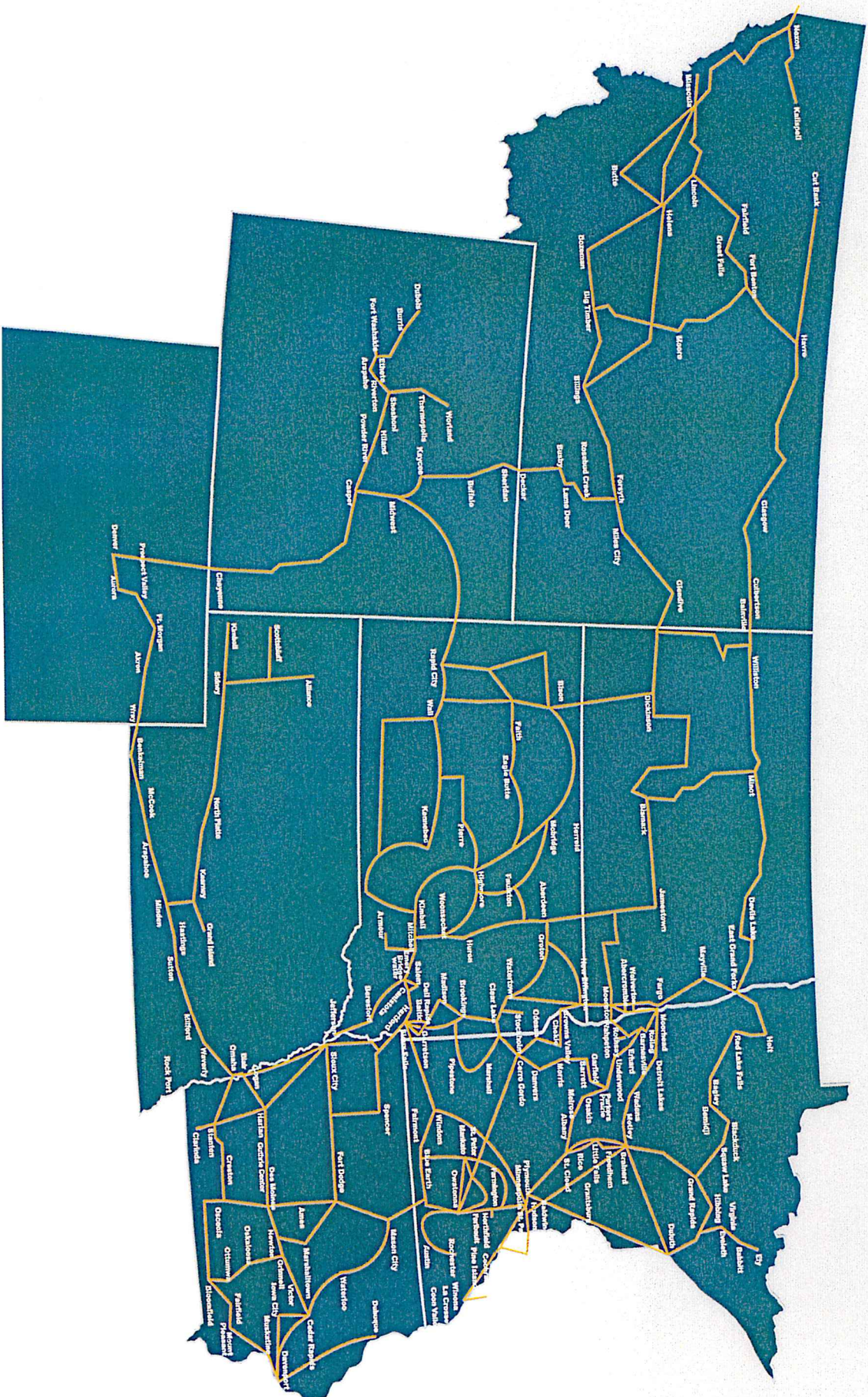




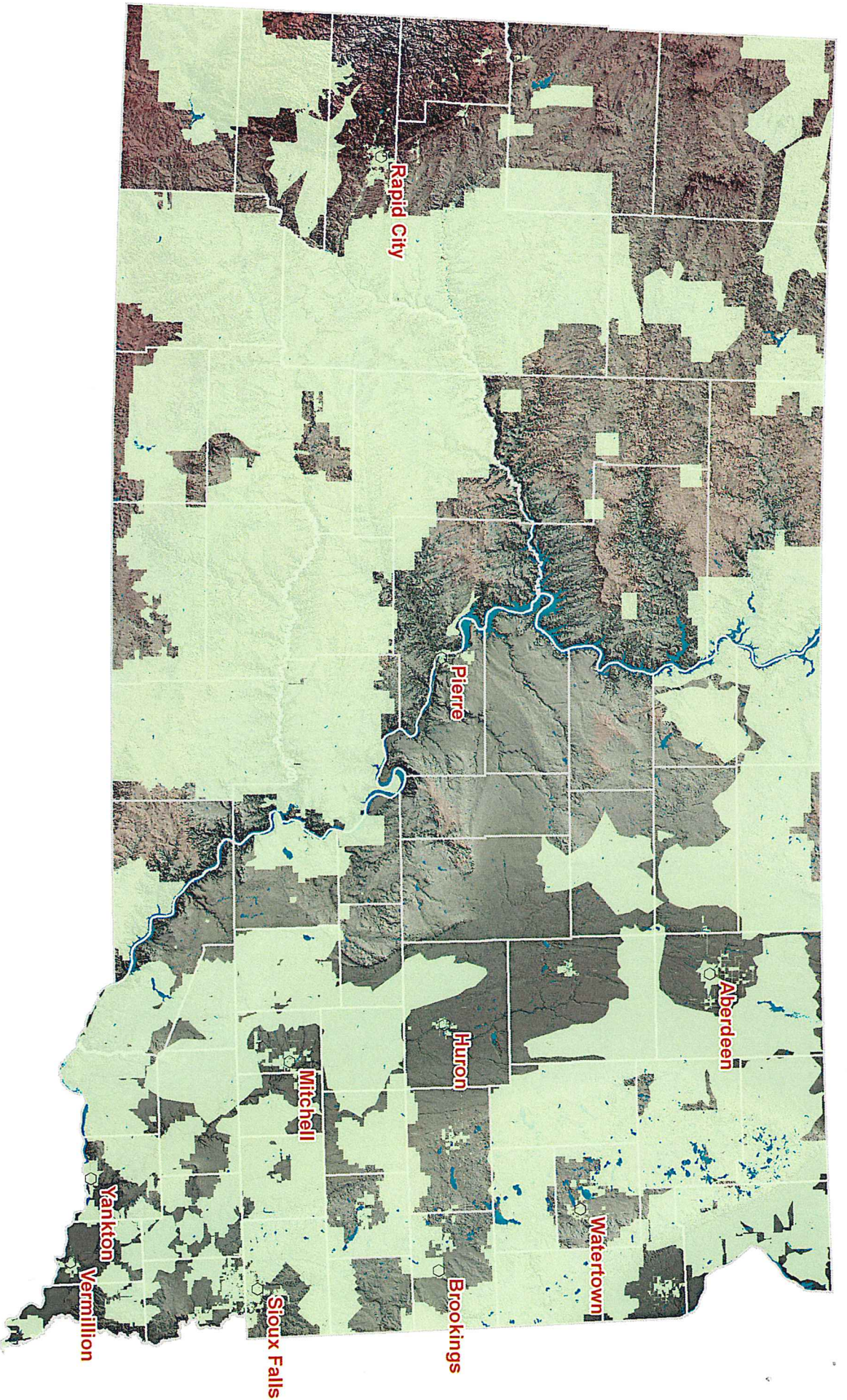
# SDN COMMUNICATIONS

## REGIONAL FIBER MAP

SDN Communications Sioux Falls Office • 2900 West 10th Street, Sioux Falls, SD 57104 • 800-247-1442 • [www.sdncommunications.com](http://www.sdncommunications.com)  
SDN Communications Omaha Office • 10110 Nicholas Street, Suite 201 • Omaha, NE 68114-2185 • 402-397-0695 • [www.sdncommunications.com/omaha](http://www.sdncommunications.com/omaha)







DISCLAIMER: This map was created under a National Telecommunications and Information Administration's State Broadband Data and Development grant awarded to the State of South Dakota as a representation of broadband availability. Although efforts to ensure utmost accuracy have been made, this map is not intended to be, nor should be used as, an authoritative source of available broadband service. The State of South Dakota, nor its contractors, make no warranty or guarantee as to the content, accuracy, timeliness, or completeness of the information provided herein.

# South Dakota Broadband DSL Service Territory

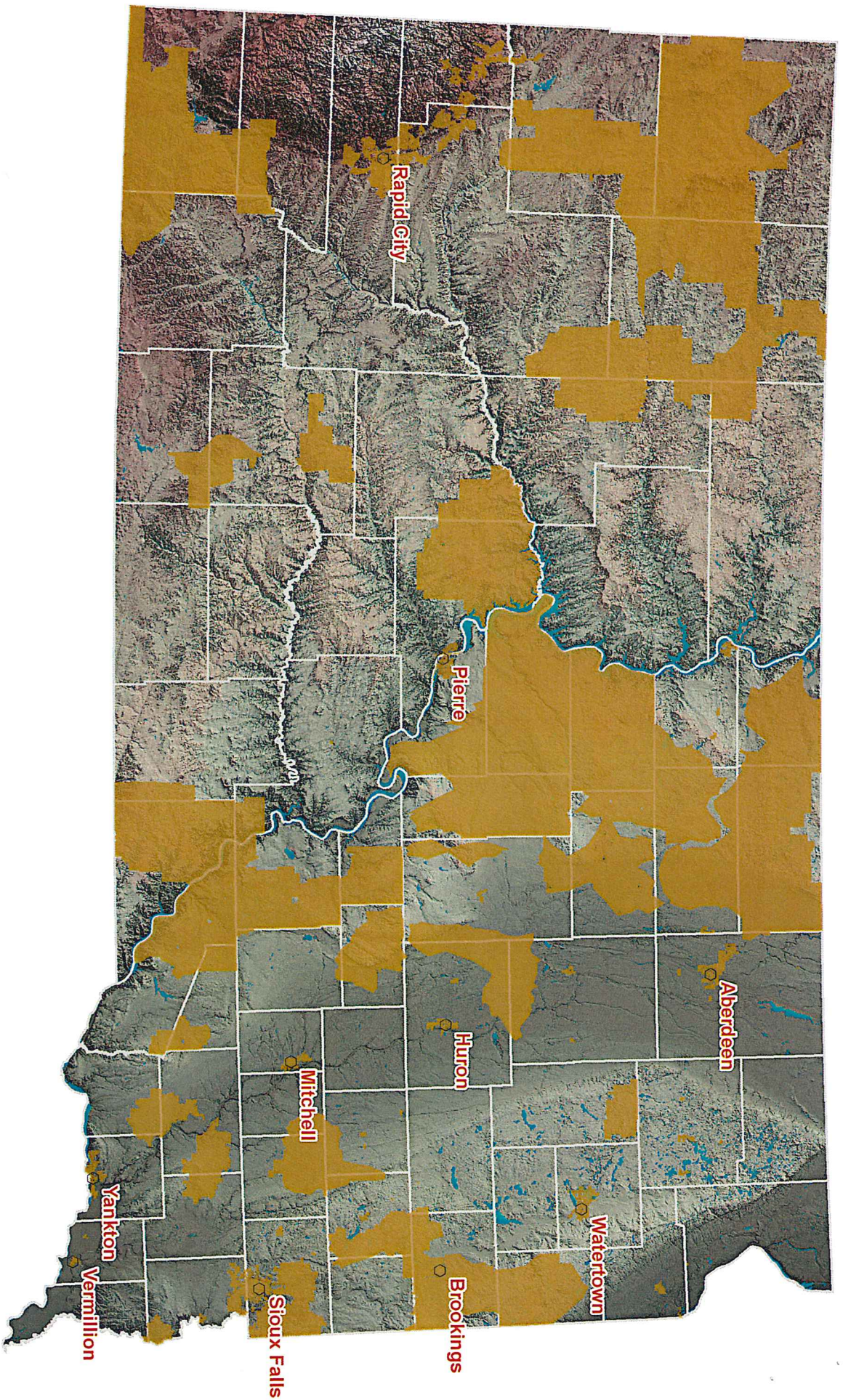
Data as of April 2012



DSL







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## South Dakota Broadband Fiber to the Home

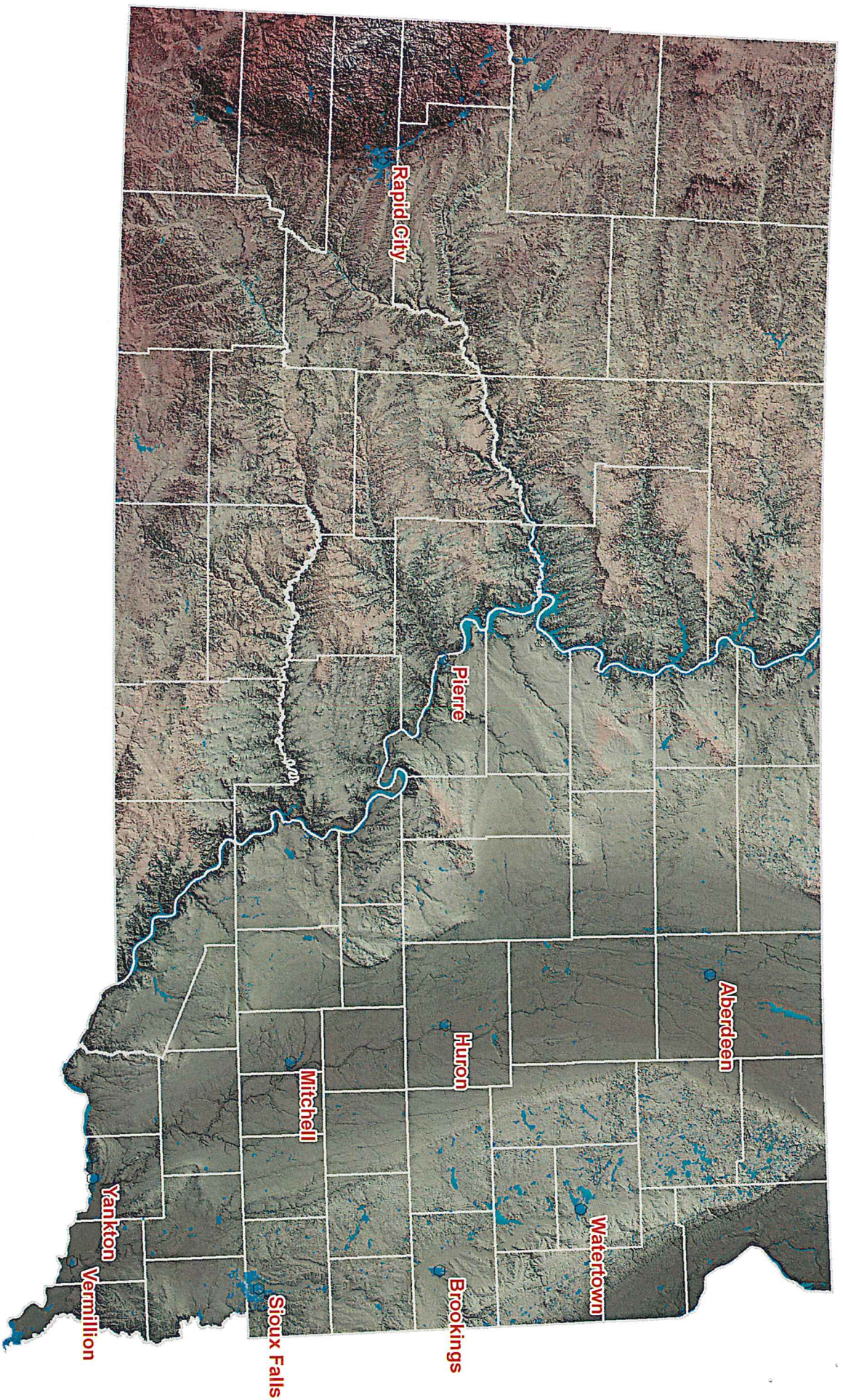
Data as of April 2012



 Fiber







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# South Dakota Broadband Cable Modem Service Territory

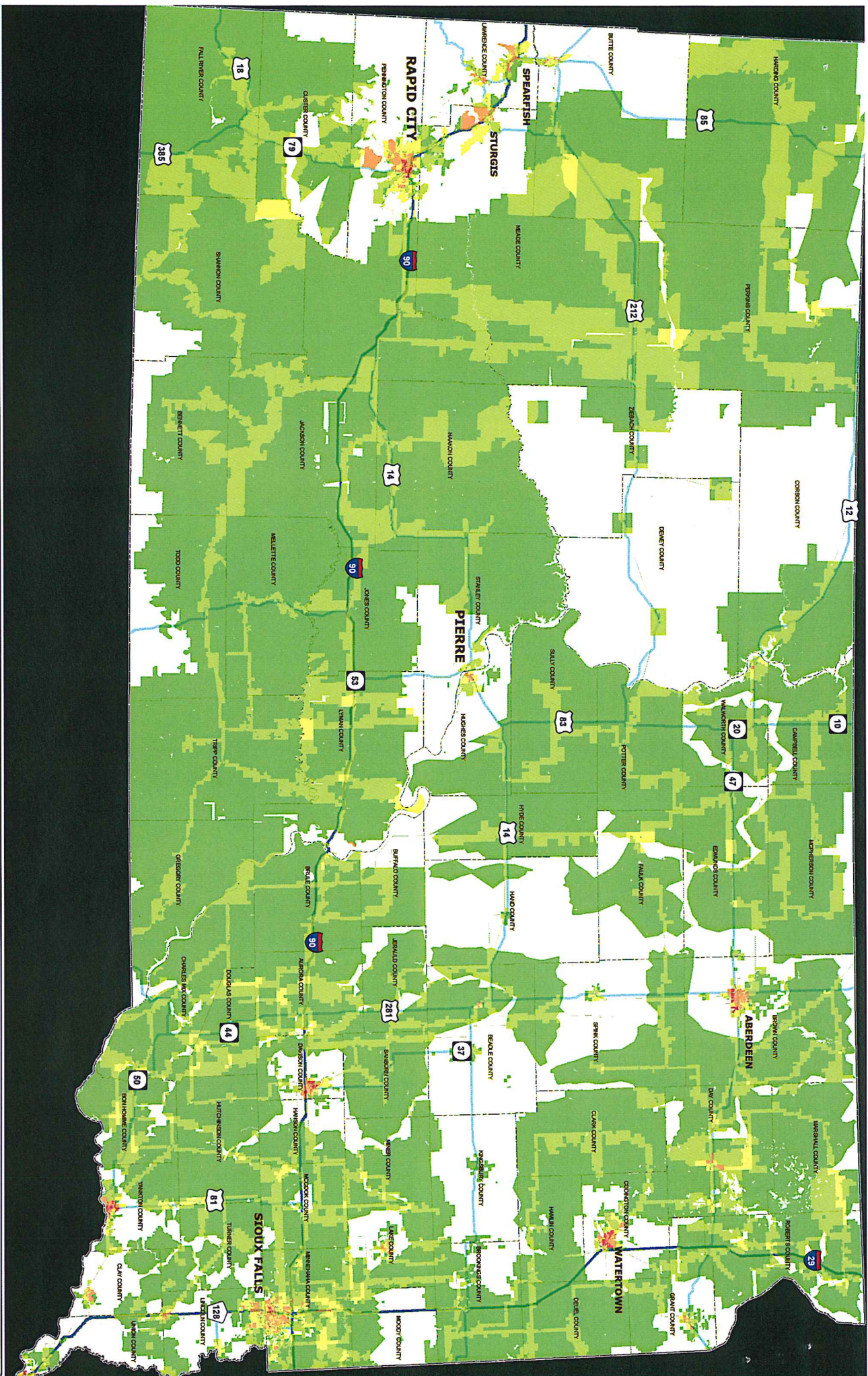
Data as of April 2012



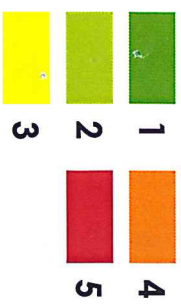
 Cable







Number of Wireline Providers



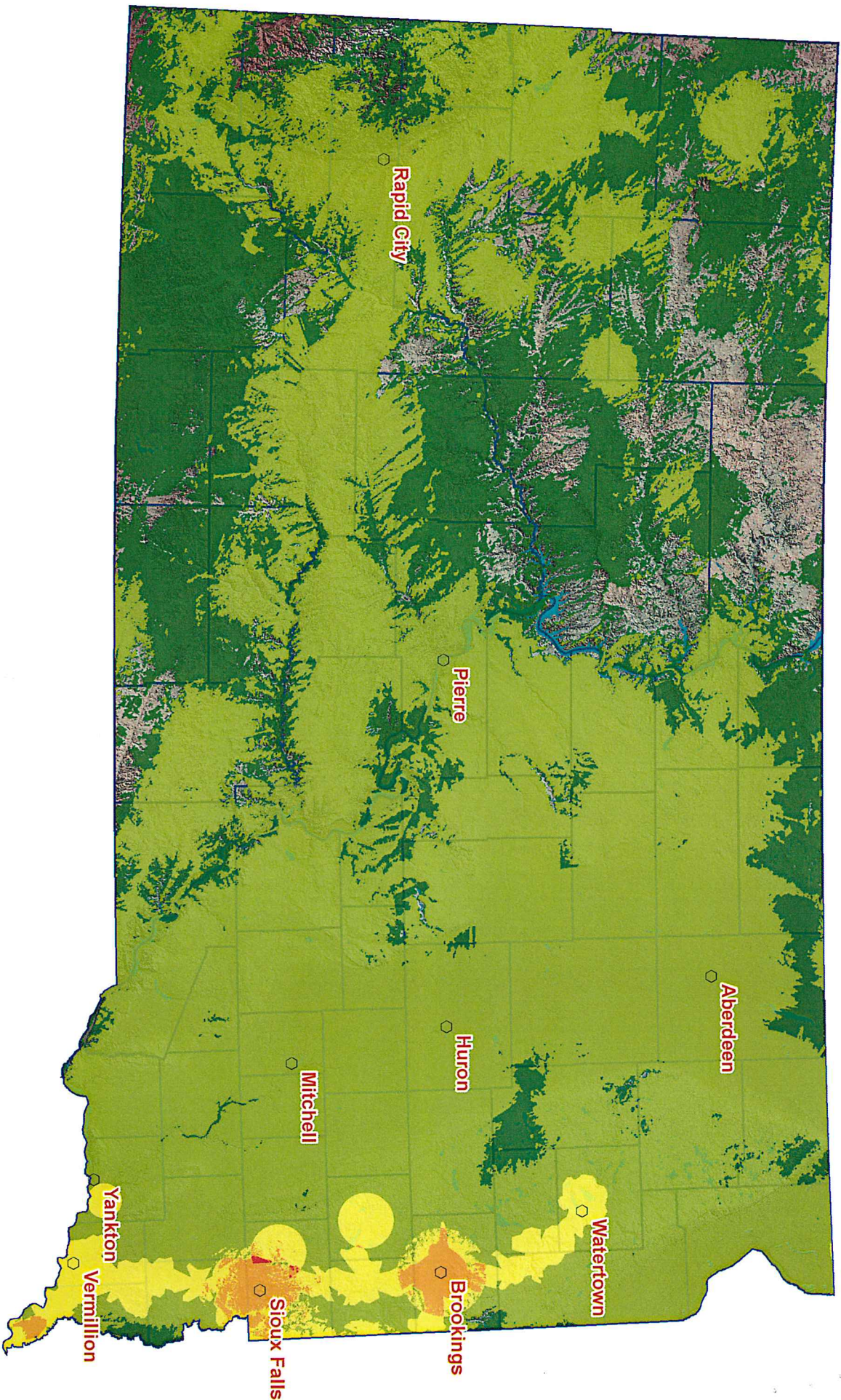
# **SOUTH DAKOTA** **BROADBAND SERVICE AREAS** **WIRELINE TECHNOLOGY**

as of October 1, 2011



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# South Dakota Broadband Wireless Technology

Data as of April 2012



Number of Wireless Providers





# MTAs

